

Exhibit 3

Price Proposal Instructions

Version 2.0

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1. General Instructions

The Authority is asking the Proposers to create the Price Proposals based on the assumption that the implementation of the NJ E-ZPass CSC will be broken down into two periods, the Implementation Period (for all activities prior to and necessary for Cut-Over) and the Operations Period, which shall begin at Cut-Over and have the following three (3) phases:

Phase 1: Implementation and deployment of System to support the existing functionality (to begin at Cut-Over).

Phase 2: Implementation of System functionality to provide improved and enhanced customer service, including the case management functionality.

Phase 3: Implementation of optional functionality that the Authority deems is required during the course of the CSC operations.

The Proposers can provide additional functionality in Phase 1 as identified in RFP Exhibit Q Conformance Matrix; however, at minimum the Proposer shall provide all existing functionality at Cut Over. Phases 2 and 3 will be completed within twenty-four (24) to thirty (30) months following the later of the Effective Date or the issuance of the NTP for those phases, as directed by the Authority.

The NJ E-ZPass CSC is a mature operation that has very stable processing volumes with very limited changes in transaction trends. For a period of approximately two (2) to three (3) years, during Phase 1 and Phase 2 Implementation, it is expected there will be a ramp up in operations; however, at the end of year 3 the Authority expects the NJ E-ZPass CSC operations to attain steady-state where maximum benefits are reaped from enhanced technologies, operational efficiencies and economies of scale. The Authority is requesting that the Proposers estimate how technological and operational efficiencies will impact customer contact volume that is handled manually or through the use of automation. The Authority would like to see the Price Proposals reflect these reductions in operations cost as a higher percentage of customer contacts are handled with technology versus manually.

Given the length of the Contract and the maturity of the Authority's current customer base, it is expected that Proposers will submit pricing that demonstrates the impact of both service improvement and process efficiency over the entire term of the Contract. Proposers are to specify in the pricing assumptions for each year these improvements based on their ability to introduce operating efficiencies and their impact on pricing. Such efficiencies could include: benefits of familiarity with the customer base, technology-based service enhancements, as well as, a variety of process improvements. The Authority expects that each Proposer will clearly illustrate the impact of expected operating efficiencies as part of the Price Proposal.

As it relates to the Violation Noticing and Collections cost, the Authority sees value in maximizing violation collections through in-house noticing when the debt is young. As the debt ages and delinquent amount is in collections status, the cost of collection increases with decreasing returns.

Proposers shall complete the Price Proposals in accordance with the following instructions:

1. Proposers shall submit their Price Proposals on the Price Proposal Forms included in RFP Exhibit S. Price Proposals shall be sealed and submitted separately from the Technical Proposal. Price

Proposals shall be submitted in the quantity and manner identified in the RFP.

2. The Price Proposal Forms shall constitute the full and complete Price Proposal for compensation for performance of the Contractor's obligations and Work under the NJ E-ZPass CSC Contractor Project. Capitalized terms that are used in these Price Proposal Instructions, but not defined herein, shall have the meanings assigned to them in the RFP Documents, including Exhibit 1, Scope of Work and Appendix 1, Draft Contract.
3. Proposers must complete the Price Proposal Forms in their entirety for the Base NJ E-ZPass CSC Contractor (Base Project Summary Sheet 1). No ALTERNATE NJ E-ZPass CSC Contractor (ALTERNATE Project Summary Sheet 1A) Price Proposal submission will be considered unless the Proposer has provided a Base NJ E-ZPass CSC Contractor Price Proposal submission. The Price Proposal Forms for the Project are as follows:
 - (1) Base Project Summary Sheet 1
 - (1A) ALTERNATE Project Summary Sheet 1A
 - (2) NJ E-ZPass CSC System Price Sheets 2 and 2-a:
 - Sheet 2: Base NJ E-ZPass CSC System Price Summary
 - Sheet 2-a: Back-up Base NJ E-ZPass CSC System Price Schedule
 - (3) NJ E-ZPass CSC Technology, Software Support and Operations Price Sheets 3, 3-a, 3-b, and 3-c :
 - Sheet 3: Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price
 - Sheet 3-a: Back-up Base and Extension Years NJ E-ZPass CSC Operations Price
 - Sheet 3-b: Back-up Base and Extension Years NJ E-ZPass CSC Operations Price – Monthly Violation Noticing and Collections Cost
 - Sheet 3-c: Back-up Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price – Monthly Schedule of Fixed Fees
 - (3A) ALTERNATE NJ E-ZPass CSC Technology, Software Support and Operations Costs Sheets 3A, 3A-a, 3A-b, and 3A-c :
 - Sheet 3A: ALTERNATE Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price
 - Sheet 3A-a: Back-up ALTERNATE Base and Extension Years NJ E-ZPass CSC Operations Price
 - Sheet 3A-b: Back-up ALTERNATE Base and Extension Years NJ E-ZPass CSC Operations Price – Monthly Violation Noticing and Collections Cost

Sheet 3A-c: Back-up ALTERNATE Base and Extension Years NJ E-ZPass CSC
Technology, Software Support and Operations Price – Monthly Schedule
of Fixed Fees

4. Proposers should not fill in any grayed-out cells on the Price Proposal Forms, nor shall the Proposer make any other entry on or alteration to the Price Proposal Forms other than in accordance with these Price Proposal Instructions.
5. The Authority may waive or correct any error appearing in the Price Proposal Forms if the correct amount can be clearly ascertained from the information provided; however, the Authority is under no obligation to do so. In the event of an inconsistency between the amount stated in numbers and the amount stated in written words, the amount stated in written words will control. In the event of a mathematical miscalculation, the correct sum will control.
6. An officer of the Proposer or an individual otherwise authorized in writing by an officer of the Proposer must sign and date all Price Proposal Forms in the appropriate place as identified on each Price Proposal Form.
7. All elements of the Price Proposal must be completed. If zero (0) quantities are included in the Proposal, a zero (0) must be entered into the corresponding cell.
8. The Authority reserves the right to reject Price Proposals that are not completed in accordance with the instructions set forth herein.
9. Proposers are advised to carefully review all terms and conditions of the RFP Documents, as well as these Price Proposal Instructions, prior to completing the Price Proposal Forms.
10. The Price Proposal Forms are provided in Excel format worksheets for ease of completion and checking. Instructions for completion of each of the Price Proposal Forms are provided in Sections 2 through 7 of these Price Proposal Instructions.
11. The Price Proposal shall be inclusive of all costs, fees and applicable taxes associated with the Project necessary to meet the requirements of the Project as described in the RFP, including, but not limited to RFP Exhibit 1, Scope of Work. No price escalation will be allowed above the cost provided on the Price Proposal Forms to complete the Work.

2. Instructions on Completing the Price Proposal Forms

1. There are twelve (12) Price Proposal Forms, as detailed in the section above, including five (5) pricing summary sheets (Sheets 1, 1A, 2, 3, and 3A) and seven (7) associated back-up sheets. Back-up sheets for each pricing sheet are labeled to identify the corresponding pricing sheet; for example, Sheet 2-a is a Back-up sheet to pricing Sheet 2. Back-up sheets are located after the main summary sheets 1 through 3. The electronic copies of the Price Proposal Forms are password-protected. Only those cells in which Proposers may enter data are unlocked for Proposers to enter data.
2. On most sheets there are formulas that are automatically calculated based on data entered from elsewhere in the sheet or work book. These cells are shown in black font and cannot be altered. Cells where Proposers should enter data are in red font. All such cells should be completed.

3. Proposers are required to verify for themselves that formulas and calculations are performing correctly.

3. Completion of Base Project Summary Sheet 1

The Proposer's Base proposed total price for the Total Project Price shall be the aggregate of all costs included in Base Project Summary Sheet 1. Sheet 1 Total Project Price will automatically summarize the costs and pricing detailed in Sheet 2 NJ E-ZPass CSC System Price and Sheet 3 Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price.

Upon completion of this sheet in the work book, the Proposer is required to enter the price written out in words, include a signature and date, and enter the authorized officer's name, title, address and phone number. Note that any figures appearing on this or any other sheet prior to entering any data in the work book are associated with fixed costs related to the project and cannot be changed or altered by the Proposer.

Not included in the evaluation price, but included on Base Project Summary Sheet 1, the Proposer shall provide a lump sum cost for the optional delivery and implementation of Business Intelligence Software to be used by the Authority. The price will be used for information purposes only and will not affect the scoring of the Price Proposal.

Payments shall be made in accordance with the Milestone Payment schedule set forth in Section 9 of RFP Appendix 1, Draft Contract.

4. Completion of ALTERNATE Project Summary Sheet 1A

The Proposer's ALTERNATE proposed total price for the Total Project Price shall be the aggregate of all costs included in ALTERNATE Project Summary Sheet 1A. Sheet 1A Total Alternate Project Price will automatically summarize the costs and pricing detailed in Sheet 2 NJ E-ZPass CSC System Price and Sheet 3A ALTERNATE Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price.

Upon completion of this sheet in the work book, the Proposer is required to enter the price written out in words, include a signature and date, and enter the authorized officer's name, title, address and phone number. Note that any figures appearing on this or any other sheet prior to entering any data in the work book are associated with fixed costs related to the project and cannot be changed or altered by the Proposer.

5. Base NJ E-ZPass CSC System Costs Sheets 2 and 2-a

The Proposer's total price for implementation of the new NJ E-ZPass CSC System shall be the aggregate of all costs shown in Sheet 2, Base NJ E-ZPass CSC System Price Summary. The costs shall also include, without limitation, all equipment, supplies, parts and materials, overhead, burden, profit, taxes, duties, fees, Contractor-acquired permits, licenses, warranties and other items necessary to meet the Contractor's Contractual requirements.

To complete Sheets 2 and 2-a, Proposers must do the following:

1. Begin with sheet 2-a Back-up Base NJ E-ZPass CSC System Price Schedule. Sheet 2-a is organized into the following sections: 1 NJ E-Z Pass CSC System Hardware Acquisition; 2 NJ E-ZPass CSC Software (e.g. GUI, backend) customization, including license; 3 System Design Documentation; 4 User, System Administration, Operations and Project Documentation; 5 Training; 6 NJ E-ZPass

System User Acceptance Test (UAT); 7 On-Site Integration and Data Migration Testing; 8 NJ E-ZPass System Operational Test; 9 Insurance and Bonding, and 10 Project Management. In the rows provided under each section enter a description for each cost sub-component in as much detail as space allows. Note that some sections include a list of required components and should not be altered. However, the Proposer may add items below the existing components listed as needed. If there are costs other than labor costs, enter such unit quantities and unit costs. If the item is provided as a lump sum, the quantity should be entered as 1. Include all materials and other direct, non-labor costs required for each price element. Total unit costs will automatically be calculated. Enter the labor costs associated with each of the line items in the corresponding column. The total costs for each price element will then automatically be calculated and the summary will be shown in the appropriate line item on Sheet 2.

2. Sheet 2 is automatically populated from Sheet 2-a.

6. Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price Sheets 3, 3-a, 3-b, and 3-c

The Proposer's proposed total price for the Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price, Sheet 3, 3-a, 3-b, and 3-c portion of the Contract shall be the aggregate of all costs included in Sheet 3. Sheet 3, Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price, covers all costs to be paid for by the Authority for the fixed and variable fees for NJ E-ZPass CSC Technology, Software Support and Operations Services set forth in Exhibit 1, Scope of Work, to begin at Cut-Over.

The costs shall include, without limitation, all labor, hardware, third-party software, supplies, normal operating parts and materials, overhead, burden, profit, taxes, duties, rent, service cost, costs of collection (including NJ MVC, state DMV, third-party vehicle registration look-up fees and collection agency fees), postage, Contractor-acquired permits, licenses, warranties and other items necessary to meet the Contractor's Contractual requirements. ***Credit card fees, and lockbox and any other banking fees related to accounts owned by the Authority or other Agencies shall be handled as set forth in the RFP and the Contract, and shall not be included in the Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Costs.***

6.1. Base and Extension Years NJ E-ZPass CSC Operations Price Sheet 3-a

The Base and Extension Years NJ E-ZPass CSC Operations Price Sheet 3-a includes Monthly Fixed and Variable Operations Fees by year. The proposed Variable Operations Fee is divided into five (5) separate categories on Sheet 3-a as follows with three categories tiered to two levels for a total of eight (8) lines to be completed by the proposer for each base and extension year.

The eight categories are described as follows:

- 1) Pre-Paid NJ E-ZPass Toll Transactions (AVI Only) Level 1 – This includes all transactions successfully posted during the month to a NJ E-ZPass CSC customer account as a Transponder Transaction. The Level 1 for this category has been established at 45 million transactions a month. The Contractor will be compensated at the established **Level 1** unit rate for Pre-Paid NJ E-ZPass Toll Transactions (AVI Only) for all transponder transactions lesser than or equal to 45 million that posted to a NJ E-ZPass CSC customer account for the given month.

- 2) Pre-Paid NJ E-ZPass Toll Transactions (AVI Only) Level 2 - For all Transponder transactions greater than 45 million that posts to a NJ E-ZPass CSC customer account, the Contractor will be compensated at the established **Level 2** unit rate for Pre-Paid NJ E-ZPass Toll Transactions (AVI Only). The Contractor is required to include a per transaction rate that represents the unit rate for Pre-Paid NJ E-ZPass Toll Transactions (AVI Only) Level 2.
- 3) License Plate Transactions (Pre-Paid and Post Paid IToll) Level 1 – This includes all license plate transactions successfully posted during the month to a Pre or Post Paid NJ E-ZPass CSC customer account as an Image Toll transaction (IToll). The Level 1 for this category has been established at 250,000 transactions a month. The Contractor will be compensated at the established **Level 1** unit rate for IToll transactions less than or equal to 250,000 that posted to a NJ E-ZPass CSC customer account for the given month.
- 4) License Plate Transactions (Pre-Paid and Post Paid IToll) Level 2 - For all license plate transactions greater than 250,000 that posts to a Pre or Post Paid NJ E-ZPass CSC customer account, the Contractor will be compensated at the established **Level 2** unit rate for License Plate Transactions (Pre-Paid and Post Paid IToll). The Contractor is required to include a per transaction rate in cell E11 that represents the unit rate for License Plate Transactions (Pre-Paid and Post Paid IToll) Level 2.
- 5) Post Paid Transactions (AVI Only - Commercial Post Paid A/C) Level 1 – This includes all transactions successfully posted during the month to a NJ E-ZPass CSC customer Post Paid account as a Transponder Transaction. The Level 1 for this category has been established at 330,000 transactions a month. The Contractor will be compensated at the established **Level 1** unit rate for Post Paid Transactions (AVI Only - Commercial Post Paid A/C) for all Transponder transactions less than or equal to 330,000 that posted to a NJ E-ZPass CSC customer Post Paid account for the given month.
- 6) Post Paid Transactions (AVI Only - Commercial Post Paid A/C) Level 2 - For all Transponder transactions greater than 330,000 that posts to a NJ E-ZPass CSC customer Post Paid account, the Contractor will be compensated at the established Level 2 unit rate for Post Paid Transactions (AVI Only - Commercial Post Paid A/C). The Contractor is required to include a per transaction rate that represents the unit rate for Post Paid Transactions (AVI Only - Commercial Post Paid A/C) Level 2.
- 7) Negative Balance E-ZPass Accounts – The Contractor will be compensated for any and all of the requirements of the Project that relate to the collection of negative balance E-ZPass Accounts (delinquent accounts) solely through a set percentage of the fees (not toll dollars or cost of transponder(s)) actually collected from the delinquent account.
- 8) Violation Noticing and Collections Cost Level 1 – The Contractor will be compensated for any and all of the requirements of the Project that relate to the collection of unpaid tolls and administrative fees solely through a set percentage of the administrative fees (not toll dollars) actually collected from violators. This compensation is set forth on Sheet 3-b, which will automatically populate Sheet 3-a.

The Authority anticipates that the prices proposed will be based on at least three types of cost drivers: (1) inbound customer contact; (2) outbound statements and customer correspondence and (3) image

review. Vendor costs will be based on whether such cost drivers may be accomplished through manual or automated electronic operations. Thus, for each Year of the Contract, Proposers should provide their assumed percentages of Manual vs Automated/Electronic operations for each of the specified cost drivers.

The Authority further expects that the proposed prices will go down based on anticipated efficiencies over the term of the Contract, and the increased percentage of Automated/Electronic transactions. **Thus, the total Operations Price proposed in the Extension Years must be lower than the Operations Price proposed in Years 5 through 8, which must in turn be lower than the Operations Price proposed in Years 3 through 5, which must in turn be lower than the prices proposed in Years 1 through 2.**

To complete Sheet 3-a the Proposers shall supply the proposed Variable Fees and provide the assumed percentage split between manual and automatic operations of the **E-ZPass Pricing Assumptions** as it relates to inbound customer contact, outbound statements and customer correspondence and image review for each year. Total unit costs will automatically be calculated. The total costs for each cost basis will then automatically be calculated and the summary will be shown in the appropriate line item on Sheet 3.

6.2. Monthly Violations Noticing and Collections Fees Sheet 3-b

For any and all of the requirements of the Project as described in the RFP, including, but not limited to RFP Exhibit 1, Scope of Work, that relate to the collection of unpaid tolls and administrative fees, including but not limited to the issuance of violation notices, the referral of violation accounts to collection agencies, and NJ MVC and state DMV registration suspensions/holds, the Contractor will be compensated solely through a set percentage of the **administrative fees (not toll dollars) actually collected** from violators on a monthly basis. All toll dollars collected through the violations process shall be remitted to the Authority and the other agencies in accordance with the RFP.

As set forth in Sheet 3-b, the Contractor shall be compensated at the established Level 1-A percentage of Administrative Fees collected from the first Advisory and Payment Request (APR), Level 1-B percentage of Administrative Fees collected from additional APRs, and Level 1-C percentage of Administrative Fees collected from Collection Services (in collection status). **The Authority has set an maximum percentage of administrative fees collected to be retained by the Contractor at 15 percent per month for Level 1-A, 20 percent per month for Level 1-B and 40 percent per month for Level 1-C. Proposers may not propose any percentage greater than the maximum percentage set forth on the applicable line item. Proposer will be alerted by a red cell if percentage entered is above the maximum allowed. Inclusion of a percentage greater than the maximum percentage set forth on the applicable line item in the Proposal will be grounds for rejection of the Proposal.** For informational purposes only, the total amount of administrative fees collected by the Authority in Calendar Year 2013 was approximately \$24.6 million.

To complete Sheet 3-b the Proposers shall supply the unit percentage for each collection level for both Base and Extension years. The total monthly costs will automatically be calculated the monthly summary cost will be shown in the appropriate line item on Sheet 3-a.

The Contractor shall compensate any collection agency under subcontract to the Contractor out of the Contractor's set administrative fee percentage set forth in the Price Proposal. However, for informational purposes only, the Authority requests that the Proposers identify what percentage of the Contractor's administrative fee percentage shall be provided to the collection agencies utilized by the Contractor.

6.3. Completion of Price Proposal Sheets 3-c

- 1) Sheet 3-c Back-up Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price - Monthly Schedule of Fixed Fees the Proposer should provide all fixed cost items for Technology, Software Support and System Administration, and Facility Fees.
- 2) To begin enter the number of units for each listed component for Base and Extension Years. Next enter the monthly unit cost. If the item is provided as a lump sum the quantity should be shown as 1. Include all costs and other direct, non-labor costs required for each price element. Note that the list of required components should not be altered. However, the Proposer may add items below the existing components as needed. If there are additional costs, enter the description of the items included as a fixed cost along with the number of units and unit costs. The total unit cost will be calculated. Next enter the labor costs associated with each of the line items. The Monthly Total Fees for each price element will then automatically be calculated and the summary of each type of fixed cost will be shown in the appropriate line item on Sheet 3-a.
- 3) Sheet 3-a is automatically populated from Sheet 3-c.

7. Completion of ALTERNATE Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price, Sheets 3A, 3A-a, 3A-b, and 3A-c

The Proposer's proposed total price for the ALTERNATE Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price portion of the Contract shall be the aggregate of all costs included in Sheet 3A. Sheet 3A, ALTERNATE Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price, covers all costs to be paid for by the Authority for the provision of ALTERNATE Base and Extension Years NJ E-ZPass Operations under the Contract. Sheet 3A, ALTERNATE Base and Extension Years NJ E-ZPass CSC Technology, Software Support and Operations Price shall include, without limitation, all charges and costs associated with the provision of all NJ E-ZPass CSC Technology, Software Support and Operations Services as set forth in Exhibit 1, Scope of Work where the Contractor can locate the NJ E-ZPass CSC facility anywhere in the Continental United States while complying with the requirements of the Scope of Work. The costs shall also include without limitation, all labor, supplies, normal operating parts and materials, overhead, burden, profit, taxes, duties, rent, service cost, costs of collection (including, NJ MVC, state DMV, third-party vehicle registration look-up fees and collection agency fees), postage, Contractor-acquired permits, licenses, warranties and other items necessary to meet the Contractor's Contractual requirements. ***Credit card fees, and lockbox and any other banking fees related to accounts owned by the Authority and other Agencies shall be handled as set forth in the RFP and the Contract and shall not be included in the NJ E-ZPass CSC Technology, Software Support and Operations Costs.***

To complete ALTERNATE Sheets 3A, 3A-a, 3A-b, and 3A-c Proposers must follow the same instructions outlines in Section 6 of these instructions for the ALTERNATE Sheets.